(c) whether the consumers, trade and industry will be affected to levy of consignment tax and the development of small and industrially backward States would be hampered, and

(d) whether Government propose to review their decision in this regard?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE AND THE DEPUTY MINISTER IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI DIGVIJAY SINGH) (a) Yes, Sir

(b) and (c) Tht proposal to levy tax on inter-State consignment of goods is intended to check large scale avoidance of tax through the medium of inter-State consignment of goods, since central sales tax cannot be levied on such consignments At the Inter State Council Meeting held on 10th October, 1990, it was decided to convene a meeting of the Finance Ministers of all States to work out a consensus on the guidelines in regard to grant of exemption Since no final decision regarding the scope of the levy has been taken, the question of consumers trade and industry being affected or development of small and industrially backward States being hampered does not arise

(d) Does not arise.

Study by EEPC on the impact of Gulf crisis

56 SHRI KRISHNA KUMAR BIRLA Will the Minister of COMMERCE be pleased to state

(a) whether Government have asked the Engineering Export Promotion Council (EEPC) to carry out a study on the impact of the current Gulf crisis on the country's engineering export and also initiate necessary measures to achieve the export targets,

(b) if so, by when the EEPC would conduct study in this regard and submit its report to Government, and

(c) what assistance Government propose to give to EEPC to boost its export performance?

THE DEPUTY MINISTER IN THE MINISTRY OF COMMERCE (SHRI SHANTILAL PURUSHOTTAMDAS PATEL) (a) and (b) EEPC was asked in August, 1990 to undertake a study on the impact of the present crisis in the Gulf region on export of engineering products from India to the Gulf region The EEPC conducted the study and reported erosion of liquidity among local traders due to substantial transfer of funds outside arising out of fear of warfare Bank finance has also come down and high premiums due to war risks have increased shipping costs Measures proposed to achieve the export target include concerted promotional efforts in the markets of Iran, Egypt, Oman, Bahrain and UAE, Buyer-seller meets, contact promotion and exhibitions in these countries and giving more attention to future Govt projects in this region

(c) An Empowered Committee has been set up in the Ministry of Commerce to attend to the problems faced by exporters and to take decisions so that India's exports do not suffer Some specific actions taken by this Committee to help exporters include activisation of the Tramp Committee under the Chairmanship of Chairman, Bombay Port Trust, to resolve shipping problems of exporters, consideration of all cases of extension of packing credit beyond 180 days upto 270 days for exports to Gulf countries at a concessive rate of interest @9 50 per cent p a by Reserve Bank of India, decision to allow inclusion of all export receivables from Iraq and Kuwait in the total current assets and to exclude the quantum of export receivables from the total current assets for reckoning the minimum stipulated Net Working Capial, for arriving at the maximum permissible bank finance Exporters are also permitted to sell the cargo shipped to Iraq and Kuwait but off loaded at other ports to alternative buyers on discount upto 10 per cent without reference to RBI